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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 SAM-01 IO-13 /067 W
---------- 068790
O R 291142Z APR 76
FM AMEMBASSY MADRID
TO SECSTATE WASHDC IMMEDIATE 5522
INFO AMEMBASSY BRUSSELS IMMEDIATE
AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY THE HAGUE
USMISSION NATO
USEC BRUSSELS

C O N F I D E N T I A L SECTION 1 OF 2 MADRID 3337

DEPARTMENT PLEASE PASS TO SECRETARY'S PARTY

BRUSSELS FOR HARTMAN

E.O. 11652: GDS
TAGS: PINT, SP
SUBJECT: INITIAL ANALYSIS OF ARIAS SPEECH

REF: MADRID 3325

1. SUMMARY: BY ANNOUNCING A MORE SPECIFIC SCHEDULE FOR REFORMS ARIAS HAS RESPONDED FAIRLY WELL TO WIDE-RANGING DEMANDS OF THE CENTER AND LEFT AND, WITH HIS CONFIDENTIAL

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DEFENSE OF REFORM AS COMPATIBLE WITH CONTINUITY, HE

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HAS GIVEN SOME ASSURANCES TO THE RIGHT. THE MONARCHY
AND KING JUAN CARLOS WERE GIVEN PROMINENCE IN HIS
SPEECH, AND HIS OTHER REFORM PROMISES, E.G. TAX
REFORM, WERE CONSISTENT WITH THE KING'S PLEDGE TO
PROMOTE SOCIAL JUSTICE. THE RELATIVE POWERS OF THE
CONGRESS AND SENATE IN NEW BICAMERAL SYSTEM
LACK CLEAR-CUT DEFINITION AND, TOGETHER WITH PRESER-
VATION OF THE CORPORATIVE FEATURES OF FRANCO'S SYSTEM
IN THE SENATE AND LACK OF SPECIFICITY ON LABOR STRUCTURE REFORMS,
WILL BE CRITICIZED. SOME WILL BE DISAPPOINTED THAT
HE DID NOT SPEED UP THE TIMETABLE MORE, BUT THE
OPPOSITION IS DIVIDED ON THIS POINT. IN SUM, ARIAS
MADE A REASONABLY EFFECTIVE DEFENSE OF THE
GOVERNMENT'S APPROACH AND PROGRAM, BUT THERE DOUBT-
LESS WILL BE CONTINUING ATTACKS FROM BOTH THE RIGHT
AND THE LEFT. THE BALL IS NOW IN THE COURT OF THE
CORTES ON WHICH DEPENDS PROMPT ENACTMENT WITHOUT EMASCULATION
OF THE REFORM PROGRAM OUTLINED BY ARIAS. END SUMMARY.

2. PRIOR TO MAKING HIS FIRST NATIONWIDE SPEECH IN
THREE MONTHS, ARIAS HELD A LUNCHEON WITH LOCAL AND,
FOR THE FIRST TIME, FOREIGN CORRESPONDENTS. THEY
WERE GIVEN EMBARGOED COPIES OF THE SPEECH SO THAT
THEY COULD PREPARE THEIR COMMENTARY PRIOR TO ITS
DELIVERY. ARIAS' MANNER AND THE SPEECH ITSELF WERE
THOSE OF A MAN NOT AFRAID OF PICKING UP THE COMMENTS
MADE BY THE MAN IN THE STREET AND IN THE MEDIA ABOUT
CURRENT AFFAIRS, QUOTING THEM, AND TRYING TO BE
RESPONSIVE TO THEM. HE WAS DISARMING AND CANDID,
QUALITIES WHICH HAVE ENABLED HIM ON PAST OCCASIONS
TO HAVE RAPPORT WITH THE SPANISH PEOPLE. THIS TIME
HE WAS ON THE DEFENSIVE, AND WAS MORE AGED IN
APPEARANCE, BUT HIS DELIVERY WAS EFFECTIVE.

3. FOR THE FIRST TIME, ARIAS APPEARED WITH A PICTURE
OF KING JUAN CARLOS PROMINENTLY PLACED BEHIND HIM
IN HIS OFFICE IN THE PRESIDENCY. THIS SET THE STAGE
FOR THE FREQUENT REFOERENCES IN THE SPEECH TO THE
MONARCHY AND TO THE KING HIMSELF AND HIS ROLE.
ALTHOUGH ARIAS PAID TRIBUTE TO FRANCO, IN AN APPARENT
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EFFORT TO SATISFY THE RIGHT AND A LARGE NUMBER OF
THE PEOPLE WHO INDEED, AS ARIAS SAID, CONTINUE TO
FLOCK TO FRANCO'S TOMB, IT WAS THE KING WHOM ARIAS
SET FEFORE THE PEOPLE AS THE GUARANTEE OF ORDERLY
AND PRUDENT REFORM.

4. ARIAS WAS DEFENSIVE IN DESCRIBING THE GOVERNMENT'S
ACCOMPLISHMENTS WITH REFORM UP TO THIS POINT. BUT

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HIS BALANCE SHEET SEEMS INDEED DEFENSIBLE, PARTICULARLY NOW THAT HE HAS SET A MORE SPECIFIC TIMETABLE FOR THE MORE IMPORTANT POLITICAL REFORMS AND ACTIONS TO COME, WITH THE IMPORTANT ACAVEAT THAT THE CORTES MUST ACT PROMPTLY AND RESPONSIBLY.

5. ARIAS WAS EQUALLY DEFENSIVE IN DESCRIBING THE NEED FOR REFORMS AND HIS COMMITMENT TO CARRY THEM OUT, STRESSING THROUGHOUT THAT REFORMS ARE COMPATIBLE WITH CONTINUITY. ARIAS TRIED TO CONVINCE HIS LISTENERS OF THE RIGHT THAT, BY AVOIDING PROMISES OF "MAGIC FORMULAS," THE GOVERNMENT WAS EXERCISING MAXIMUM PRUDENCE TO AVOID PITFALLS AND EXCESSIVE RISK.

6. APART FROM POLITICAL REFORMS, ARIAS PROMISED REFORM OF THE TAX SYSTEM, AND GENERALLY MORE SOCIAL JUSTICE, E.G. MEASURES TO COPE WITH UNEMPLOYMENT. WITH RESPECT TO TWO KEY PROBLEM AREAS, THE SYNDICATES AND THE REGIONAL ISSUE, ARIAS ASKED THE SYNDICATE SYSTEM ITSELF AND THE SPECIAL COMMITTEES SET UP TO DEAL WITH REGIONAL ISSUES IN CATALONIA, THE BASQUE PROVINCES, AND THE CANARY ISLANDS, TO COME UP THEMSELVES WITH PROPOSALS FOR THE GOVERNMENT. THE ABSENCE OF GOVERNMENT INITIATIVE IN PROPOSING ITSELF REFORMS IN THE SYNDICAL SECTOR WAS A MAJOR GAP IN THE PROGRAM HE PRESENTED.

NOTE BY OC/T: NOT PASSED SECRETARY'S PARTY.

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

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PA-01 PRS-01 SP-02 SS-15 SAM-01 IO-13 /067 W
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FM AMEMBASSY MADRID
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C O N F I D E N T I A L SECTION 2 OF 2 MADRID 3337

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BRUSSELS FOR HARTMAN

7. AS HE HAS ON PREVIOUS OCCASIONS, ARIAS PLEDGED THE GOVERNMENT TO DEFEND LAW AND ORDER AND TO PREVENT ANY SUBVERSIVE GROUPS FROM STANDING IN THE WAY OF ORDERLY REFORM. IN AN APPARENT INDIRECT REFERENCE TO THE RECENT FORMATION OF THE "COORDINACION DEMOCRATICA," ARIAS MADE CLEAR THAT THE GOVERNMENT WOULD NOT BE INTIMIDATED AND CERTAINLY NOT COERCED INTO ALLOWING THE COMMUNIST PARTY TO THWART THIS GOVT'S EFFORTS TO BRING ABOUT GENUINE DEMOCRATIC
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CHANGE. SOME WILL ACCUSE HIM OF AGAIN SAYING TOO MUCH ABOUT SUBERSION, BUT IN FACT HE DID NOT DWELL AT LENGTH ON THIS SUBJECT.

8. ALTHOUGH ARIAS PROVIDED SOME SPECIFICS ON THE NEW BICAMERAL SYSTEM, IT IS LIKELY THAT THE VAGUENESS OF THE DIVISION OF POWERS BETWEEN THE CONGRESS AND THE SENATE AND THE PRESERVATION OF CORPORATE FEATURES IN THE MEMBERSHIP OF THE SENATE WILL BE CRITICIZED. HE HAS NOW SPECIFICALLY ACKNOWLEDGED THAT THE SENATE WILL IN SOME WAY BE THE PREPETUATION OF THE PRESENT NATIONAL COUNCIL OF THE MOVEMENT. INASMUCH AS THIS BODY HAS BEEN REGARDED AS THE SYMBOL OF THE VICTORS IN THE CIVIL WAR, ITS PREPETUATION, ALBEIT IN A NEW FORM, IS HARDLY LIKELY TO ELICIT COOPERATION FROM THE DEMOCRATIC OPPOSITION.

9. ARIAS HINTED TO THE CORTES THAT IT IS EXPECTED TO TERMINATE THE GOVT'S LEGISLATIVE PROGRAM ON TIME SO THAT THE KING CAN PRESENT THE APPROPRIATE REFERENDUM

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QUESTIONS BY OCTOBER. COMING ON TOP OF THE RECENT ADOPTION OF SPECIAL EXPEDITIOUS PROCEDURES IN THE CORTES, THIS HINT INDICATES THAT THE GOVT IS DETERMINED TO HAVE ITS PROGRAM ADOPTED AND, WITH ARIAS' SPEECH, THE KING'S PRESTIGE ITSELF HAS BEEN ENGAGED. THIS WOULD MAKE IT INCREASINGLY DIFFICULT FOR RECALCITRANT ENTRENCHED INTERESTS IN THE CORTES TO HOLD UP THE GOVT PROGRAM.
STABLER

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